

**Statement of Camille Calimlim Touton,  
Commissioner,  
U.S. Bureau of Reclamation  
Before the  
U.S. Senate Committee on Energy and Natural Resources,  
Subcommittee on Water and Power  
On**

**S. 2927, to amend the Omnibus Public Land Management Act of 2009 to increase Tribal access to water conservation and efficiency grants, and for other purposes (Lujan); S. 4016, to amend the Boulder Canyon Project Act to authorize the Secretary of the Interior to expend amounts in the Colorado River Dam fund, and for other purposes (Sinema); S. 4242, to extend the authorization of the Reclamation States Emergency Drought Relief Act of 1991, and for other purposes (Hickenlooper/Lummis); S. 4245, to amend the Omnibus Public Land Management Act of 2009 to reauthorize certain United States Geological Survey water data enhancement programs, and for other purposes (Lummis/Hickenlooper); S. 4347, to provide for the conveyance of certain Federal land at Swanson Reservoir and Hugh Butler Reservoir in the State of Nebraska, and for other purposes (Fisher/Ricketts); S. 4458, to reauthorize the Reclamation Rural Water Supply Act of 2006, and for other purposes (Rounds/Klobuchar); S. 4576, to amend the Energy and Water Development and Related Agencies Appropriations Act, 2015, to reauthorize the Colorado River System conservation pilot program (Hickenlooper/Barrasso); S. \_\_\_\_, to establish a new Reclamation program to support collaborative positions at eligible partner organizations to help develop, fund, and implement water projects with benefits for water management and the environment (Hickenlooper); S. \_\_\_\_, to amend the Aquifer Recharge Flexibility Act to clarify a provision relating to conveyances for aquifer recharge purposes (Risch); S. \_\_\_\_, to authorize additional funding for the San Joaquin River Restoration Settlement Program (Padilla); S. \_\_\_\_, to establish an interest-bearing account for the non-Federal contributions to the Lower Colorado River Multi-Species Conservation Program (Padilla); S. \_\_\_\_, to establish the Integrated Water Management Federal Leadership Committee and to provide for improved drought resilience and dam safety (Padilla); S. \_\_\_\_, to amend Public Law 89–108 to modify the authorization of appropriations for State and Tribal, municipal, rural, and industrial water supplies (Hoeven); S. \_\_\_\_, to make certain modifications to the repayment period and payment of interest for the Fryingpan-Arkansas project in the State of Colorado (Bennet); and S. \_\_\_\_, to prohibit the use of amounts from the Upper Colorado River Basin Fund to implement a certain record of decision (Lee).**

**September 11, 2024**

Chair Wyden, Ranking Member Risch, and members of the Subcommittee, I am Camille Calimlim Touton, Commissioner for the Bureau of Reclamation (Reclamation) within the Department of the Interior (Interior). Thank you for the opportunity to provide the Subcommittee an update on Reclamation’s activities and provide Interior’s views on these bills.

**S. 2927, to amend the Omnibus Public Land Management Act of 2009 to increase Tribal access to water conservation and efficiency grants, and for other purposes, or the “WaterSMART Access for Tribes Act”;**

The American West faces serious water challenges. Widespread drought, increased populations, aging infrastructure, and environmental requirements all strain existing water and hydropower resources. Adequate and safe water supplies are fundamental to the health, economy, and security of the country.

Through WaterSMART, Reclamation seeks to address the water challenges of the West by investing in activities that expand and stretch limited water supplies to reduce conflict, facilitate solutions to complex water issues, and meet the growing needs of expanding municipalities, domestic energy development, the environment, and agriculture.

The WaterSMART Program includes funding for cost-shared grants for water management improvement projects; efforts within the Basin Study Program to evaluate and address imbalances between supply and demand in river basins throughout the West; Title XVI Water Reclamation and Reuse projects; collaborative watershed groups and watershed management projects through the Cooperative Watershed Management Program; Project Planning and Design grants for site specific construction and restoration activities; Water Conservation Field Services for recipients of Reclamation project water; and a comprehensive approach to drought planning and implementation to proactively address water shortages. Together, these programs form an important part of Reclamation’s implementation of the Science and Engineering to Comprehensively Understand and Responsibly Enhance (SECURE) Water Act (Subtitle F of Title IX of P.L. 111-11, the Omnibus Public Land Management Act of 2009).

The programs included in WaterSMART are collaborative in nature, and work is done in partnership and cooperation with non-Federal entities and other Federal agencies. For example, WaterSMART supports investments in existing infrastructure to increase water and energy sustainability by leveraging Federal and non-Federal funding. Funding provided through WaterSMART grants is used for projects such as installing automation and water measurement technologies and lining and piping canals. Drought Response Program funding is used for infrastructure and water management improvements that increase flexibility during times of drought, such as lowering intakes and installing interties to connect water distribution systems. WaterSMART also supports collaboration with multiple partners to reduce conflict and address complex water issues. For example, the Basin Study Program and the Cooperative Watershed Management Program incorporate a regional or watershed approach to address water management on a larger scale, and both programs require participation by diverse parties. Reclamation also makes funding available for water management improvements that are focused on ecological benefits, consistent with amendments to the SECURE Water Act.

Since January 2021, Reclamation has selected 958 projects to be funded with more than \$1.4 billion in WaterSMART funding, in conjunction with more than \$3.4 billion in non-Federal funding, across the western states.

The WaterSMART Access for Tribes Act, S. 2927, would amend the SECURE Water Act of 2009 and increase Tribal access to water conservation and efficiency grants. The WaterSMART Access for Tribes Act would give the Secretary of the Interior authority to waive or reduce the cost-share requirements under the categories of Reclamation's WaterSMART program that rely on the SECURE Water Act, in instances where a Tribe does not have sufficient funds to pay the cost share. Reclamation has provided technical assistance on this legislation, and we support the updated bill and the goal of improving Tribal water conservation and efficiency efforts.

**S. 4016, to amend the Boulder Canyon Project Act to authorize the Secretary of the Interior to expend amounts in the Colorado River Dam fund, and for other purposes, or the "Help Hoover Dam Act";**

Hoover Dam is one of the iconic landmarks in the American West and a testament to our country's ability to construct monolithic projects in the midst of adverse economic conditions. In order for that facility to continue delivering benefits, the operations and maintenance needs of critical aging infrastructure like Hoover are significant.

S. 4016 authorizes the Secretary of the Interior to expend funds that have been or will be recovered into the Colorado River Dam Fund on a non-reimbursable basis.

Since 2000, funds have been collected from Boulder Canyon Project (BCP) Contractors as part of the hydropower rate of the facility for the unfunded costs of employee retirement benefits and consist of Health Insurance Benefits (FEHB), Life Insurance Benefits (FEGLI), and Civil Service Retirement System (CSRS)/Federal Employee Retirement System (FERS) pensions. However, due to an unintended gap in Reclamation's authorities, these Post-retirement Benefit (PRB) funds are unable to and not needed to be used for their intended purpose, and have been collecting within a unique account, separate from the BCP operating funds. Federal employees receive their defined retirement benefits under FERS or CSRS.

At present, Reclamation does not have the authority to spend these funds. Reclamation currently holds approximately \$48 million of this funding as available budget, with approximately \$2 million collected additionally per year, in a non-interest-bearing account. S. 4016 would grant the Secretary of the Interior the flexibility to utilize these funds recovered from the Boulder Canyon Project for various essential purposes without the requirement for reimbursement. These funds can support ongoing operations, maintenance, and necessary upgrades within the Boulder Canyon Project at Hoover Dam, ensuring the continued functionality and efficiency of the infrastructure. Additionally, they can be allocated towards investigative and cleanup actions, addressing any environmental concerns or remediation efforts necessary to preserve the surrounding ecosystem and community well-being.

Over the next five years, current estimates are that Hoover Dam will require \$110 million in major plant investment over and above routine operation and maintenance, and another \$117 million over the subsequent six years. These costs are the responsibility of BCP Contractors and will be included within future hydropower rates. However, the \$48 million in funding that has already been collected by BCP Contractors could be used to stabilize future hydropower rates

that are already facing increased pressure due to drought conditions on the Colorado River without deferring important major plant investments.

As stated above, Federal employees receive their defined retirement benefits under the FERS or the CSRS. Employer and employee contributions deposited in the Civil Service Retirement and Disability Fund finance future retirement benefits. These benefits are administered by the Office of Personnel Management. If enacted, Reclamation would utilize the approximately \$48 million in funding already collected from the BCP Contractors to address operations, maintenance, and necessary upgrades within the BCP. Reclamation would use this funding over time, in coordination with the BCP Contractors, to avoid the deferral of important plant investments and consequent additions to the backlog of maintenance and repair, and to help stabilize hydropower rates at the BCP.

Reclamation supports the intent of this legislation because it addresses the gap in authority, will help maintain critical infrastructure, help stabilize hydropower rates, and allow for the use of funding that currently cannot be accessed.

**S. 4242, to extend the authorization of the Reclamation States Emergency Drought Relief Act of 1991, and for other purposes, or the “Drought Preparedness Act”**

The West faces severe water reliability challenges due to climate change, persistent drought, and increasing water scarcity. The changing climate in the West highlights the need for thoughtful planning and work to ensure our infrastructure is more resilient and that planning for changes in land use are considered over the long-term. Reclamation’s Drought Response Program is an important program by which Reclamation provides assistance for drought planning and mitigation. The Drought Response Program’s authority is derived primarily through the Reclamation States Emergency Drought Relief Act of 1991 (43 U.S.C. 2211), as well as Title IX, Subtitle F of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10364(a), SECURE Water Act).

The Reclamation States Emergency Drought Relief Act of 1991 (Act) is set to expire at the end of Fiscal Year 2024. If enacted, S. 4242 would extend the authorities provided by the Act through 2028. With the Drought Response Program, Reclamation relies on the authorities provided by the Act for drought contingency planning and emergency actions. Reclamation is expected to reach the current cost ceiling \$130 million within the next year. If enacted, in order to implement the program through 2028, Reclamation would need an increase in the cost ceiling.

Through the Act, Reclamation provides financial assistance on a competitive basis for applicants to develop drought contingency plans or to update existing plans. In general, the planning process is structured to help planners answer key questions on recognizing, understanding the impacts of, and determining how to protect themselves from drought. It also encourages an open and inclusive planning effort that employs a proactive approach to build long-term drought resiliency.

The Act also allows for Reclamation to undertake emergency response actions under the Drought Response Program to minimize losses and damages resulting from drought, relying on the authorities in Title I of the Act. Emergency response actions are crisis driven actions in response to unanticipated circumstances. As defined within the Act, eligible emergency response actions are limited to temporary construction activities such as storage and conveyance, and temporary water purchases through contracts not to exceed 2 years. The construction of permanent facilities is not eligible under the Act, with the limited exception of certain wells.

The Reclamation States Emergency Drought Relief Act of 1991 is an important authority for Reclamation to continue to respond to and mitigate the impacts of drought. Assuming the cost ceiling is increased in line with the extension, the Department fully supports the extension of the authorities provided in the Act through 2028 as outlined in S. 4242 for drought contingency planning and emergency actions.

**S. 4347, to provide for the conveyance of certain Federal land at Swanson Reservoir and Hugh Butler Reservoir in the State of Nebraska, and for other purposes, or the “Swanson and Hugh Butler Reservoirs Land Conveyances Act”;**

Reclamation plays an important role in meeting the increasing public demand for water-based outdoor recreation facilities and opportunities. The recreation areas developed as a result of Reclamation water projects provide approximately 6.5 million acres of land and water that is largely available for public outdoor recreation. Among these expansive public resources are several facilities in Nebraska where Reclamation has worked to improve the use of and access to recreation for the benefit of the public. In 2023, this included efforts to begin implementing improvement plans for the Swanson and Red Willow Reservoir concession areas. The proposed improvements are intended to support a blend of dispersed camping and developed facilities such as camper hookups, tiny house cabin sites, shower houses and trails that add to the diversity of recreation opportunities and experiences at the two sites.

The redevelopment plans have been in the making for more than 23 years and are intended to address several hazards concerning life safety and utility compliance with federal, state, and local regulations at the concession areas. Reclamation’s proposed improvements to the sites were intended to increase public access to the requested recreation facilities.

However, these proposed changes resulted in some concerns from the local communities that currently make use of some existing private exclusive use legacy cabin facilities and who wish to continue to do so under the present arrangement, despite the age and condition of several of these facilities. In response to these concerns, the Nebraska delegation requested time to work with Reclamation and local parties to find a different long-term solution that accommodates the current residents’ desires. That effort has resulted in S.4347, the Swanson and Hugh Butler Reservoirs Land Conveyances Act. Absent enactment of this legislation, Reclamation intends to continue with its original redevelopment plans in 2025.

The facilities to be conveyed under S. 4347 are counted among the numerous dams, canals, and hydropower plants constructed by Reclamation that provide water and power across the 17 western states. For most of these project facilities, Reclamation has transferred all or part of the

responsibility for operation, maintenance, and replacement to a project beneficiary. Title, or ownership, to Reclamation facilities, however, remains with the United States Government unless Congress passes legislation directing otherwise.

The transfer of title divests Reclamation of responsibility for the operation, maintenance, replacement, management, regulation of, and most of the liability for Federal interests in lands and project facilities, while providing non-Federal entities with greater autonomy and flexibility to manage the facilities.

In 2019 the John D. Dingell, Jr. Conservation, Management, and Recreation Act (P.L. 116-9) was signed into law. Title VIII of this Act provides Reclamation with authority to transfer title to certain eligible facilities to qualifying entities without separate and individual acts of Congress. However, P.L. 116-9 outlined provisions that excluded title transfer authority for certain facilities. Reclamation has determined that this exclusion applies to the transfer of the recreational land at Swanson Reservoir and Hugh Butler Reservoir in the State of Nebraska in lieu of site-specific legislation. S. 4347 would then provide Reclamation with the necessary authority to convey title to land at both reservoirs, subject to its various conditions.

In general, the intent of S. 4347 is to provide a path for Frontier and Hitchcock Counties in Nebraska to take ownership of certain Federal lands that would otherwise be redeveloped for public recreation use. S. 4347 enables local management of the recreational lands and alleviates Reclamation's administrative oversight and management responsibilities of the land. Section 3 of S. 4347 would provide for the transfer of requested lands at Swanson Reservoir to Hitchcock County. This includes a 20-acre public concession, a 21.5-acre private concession, and 11 private cabin lots totaling approximately 6-acres. Section 4 of S. 4347 would similarly provide for the transfer of lands at Red Willow Reservoir to Frontier County. This includes a 23-acre public concession and 8 private cabin lots totaling approximately 6.5-acres.

The sequence for transfer under S. 4347 largely follows Reclamation's standard process for title transfer as included within Reclamation Manual Directives and Standards, CMP 11-01. For each potential transfer, S. 4347 includes several stipulations. These include: that the transfer for each requested site proceeds in whole and is not subdivided; that each area continues to be managed for substantially the same current purpose; that the final transfer contains the necessary leases, permits, rights-of-way, easements, and terms necessary to ensure the title transfer would not result in an adverse impact on existing water or power delivery obligations; and that the transfer complies with all applicable federal and state laws.

For each transfer, S. 4347 directs Reclamation to make an offer of conveyance and enter into a memorandum of agreement to effectuate the transfer, resulting in a title transfer agreement finalized within three years after enactment. As part of the memorandum of agreement, the Counties must demonstrate their capability to operate and maintain the land, satisfy financial obligations, and to address any issues of non-compliance with applicable State fire, safety, and health codes and standards not later than 2 years after the date of the conveyance.

Additionally, S. 4347 would require that the counties provide, as compensation for the transfer, the fair market value of the lands, to ensure that conveyance of this land does not convey

unauthorized benefits and is in the financial interest of the United States. The determination of fair market value must be completed in accordance with the Uniform Standards of Professional Appraisal Practice. Further, consistent with Reclamation's standard policy, S. 4347 would require that each county provide funding, in advance, for the estimated costs to be incurred by Reclamation to process the conveyance request. Finally, S. 4347 would ensure that any subsequent transfer would be at no cost, with the same terms as this proposed transfer, and would be conveyed to another State or public entity to ensure that the lands would remain in the public domain.

Reclamation is committed to ensuring that the recreation facilities at both Red Willow and Swanson Reservoirs are available for public enjoyment and are compliant with all relevant federal, state, and local regulations. S. 4347 will legislatively preserve the status-quo of private exclusive use of the requested lands, subject to each County's discretion moving forward, and discontinues Reclamation's redevelopment plans.

If enacted, we encourage each County to look for opportunities to improve public access to these recreational facilities. Reclamation is hopeful that the local authorities, to whom S. 4347 transfers title, will ensure that the requested lands be used to meet the outdoor recreation needs of the public and is supportive of their efforts to do so, whether accomplished through S. 4347 or through Reclamation's redevelopment plans.

**S. 4458, to reauthorize the Reclamation Rural Water Supply Act of 2006, and for other purposes, or the "Rural Water Supply Program Reauthorization Act";**

Reclamation has, over its more than 100 years in existence, designed and constructed some of the largest and most important water supply projects in the western United States including Hoover Dam, Grand Coulee Dam, and the Central Valley Project. Because of that expertise, rural communities have often sought Reclamation's assistance in addressing their need for potable water supplies. Prior to 1980, Reclamation's participation was generally limited to providing technical assistance in the scoping and development of water projects intended to solely provide potable water supplies for rural communities.

Since the 1980s, Congress has authorized Reclamation to undertake the design and construction of specific projects intended to deliver potable water supplies to rural communities located in North Dakota, South Dakota, Montana, New Mexico, Minnesota, and Iowa. These projects exist in communities that are experiencing urgent needs for water due to poor quality of the existing supply or the lack of a secure, reliable supply. Each of these projects, while intended to meet a common need, were authorized under various circumstances and under project specific authorizations with varying criteria. In some cases, the projects did not go through the level of analysis and review that is consistent with Reclamation's other projects at the time of authorization, and did not meet the economic, environmental and design standards that are required to determine the feasibility of other Federal water resources development projects. As a result, with the specific authority to design and construct a project in place, Reclamation was required to both complete the analysis that was necessary and adhere to the project configuration and designs that were specified by the authorizing statutes.

In recognition of the continued needs of rural communities throughout the west as well as a need for a consistent program and criteria to evaluate future projects, the Rural Water Supply Act of 2006 (P.L. 109-451) authorized Reclamation to establish a program to work with rural communities, including Tribes, in the 17 Western States to assess rural water supply needs and conduct appraisal and feasibility studies without individual acts of Congress. Pursuant to the Rural Water Supply Act, Reclamation created a rural water program to enable coordinated examination of the various options to address rural communities' water supply needs through a cost effective, priority-based process. Before the Rural Water Supply Program expired in 2016, Reclamation conducted 22 appraisal investigations, with nine recommendations for a feasibility study. Of these, Reclamation finalized and approved two feasibility reports: the Musselshell-Judith Rural Water System Feasibility Report in Montana and the Payson-Cragin Reservoir Water Supply Project Feasibility Report in Arizona. Following the report, the Musselshell-Judith Rural Water System was authorized for construction through P.L. 116-260 along with the authorization for further study of the Dry Redwater Rural Water System in Montana.

S. 4458 would reauthorize the Rural Water Supply Act of 2006 through 2032. Since its expiration, Reclamation continues to receive requests from rural communities for federal support. However, since expiration of the law, Reclamation has limited ability to assist these communities or provide a pathway for receiving such assistance.

The Department supports efforts to improve access to reliable, clean drinking water as an essential human need that is critical to the public health, well-being, educational attainment, and economic development of all communities in the United States. Through the Bipartisan Infrastructure Law, the Department has prioritized water infrastructure for rural communities and Reclamation has made significant progress towards completion of these projects, with more than \$800 million allocated over the past four years. Through the remaining funding from the BIL, Reclamation hopes to finally bring some of these projects to completion. Notwithstanding the importance of rural water projects, and funding from the Bipartisan Infrastructure Law investments that has advanced them toward completion, challenges remain for those projects that are recommended for construction under any reauthorization of the RWSP.

The Department supports S. 4458 and the goals of encouraging vibrant rural economies and ensuring safe, reliable sources of drinking water for rural residents.

**S. 4576, to amend the Energy and Water Development and Related Agencies Appropriations Act, 2015, to reauthorize the Colorado River System conservation pilot program, or the “Colorado River Basin System Conservation Extension Act”**

The Colorado River and its tributaries are one of the most important natural resources in the United States. Approximately 1,400 miles long, flowing through the seven western states of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, and the United Mexican States (Mexico), the Colorado River System provides immeasurable economic and ecological values. The Colorado River provides drinking water to tens of millions of people, irrigates millions of acres of crops, produces billions of kilowatt-hours of hydroelectricity annually, flows through national parks and recreation areas visited by millions of people annually, and provides habitat for fish and wildlife.



In 2013, in response to a Colorado River System drought that has been ongoing since 2000, the Secretary of the Interior encouraged the Colorado River Basin States to develop drought contingency plans. In 2014, Reclamation, the Colorado River Basin States, and Colorado River water users explored ideas that could mitigate the impacts of the ongoing drought in the Colorado River Basin, including projects to test a wide range of measures to reduce consumptive use and/or losses and conserve water in Lake Powell or Lake Mead as Colorado River System water for the benefit of all users to help offset declining reservoir elevations. Lessons learned from testing new water conservation measures could be incorporated into long-term drought contingency planning and programs that reduce consumptive use or losses of Colorado River water, often referred to as demand management programs.

On July 30, 2014, Reclamation executed an agreement with the Central Arizona Water Conservation District (CAWCD), the Southern Nevada Water Authority (SNWA), The Metropolitan Water District of Southern California (MWD), and Denver Water which are collectively referred to as the Local Funding Agencies, for a pilot program. The Funding Agreement is historic because water agencies from both the upper and lower Colorado River Basins and Reclamation agreed to jointly fund voluntary water conservation projects in the Colorado River Basin to benefit the Colorado River System.

The Pilot Program tested new approaches that reduce historic water use or losses and helped to determine if compensated, voluntary, and measurable reductions in consumptive use of Colorado River System water constitute a sufficiently cost-effective, robust, and feasible approach to partially mitigate the impacts of ongoing drought on the Colorado River System. Colorado River System water conserved through Pilot Program projects is for the sole purpose of increasing storage levels in Lakes Powell and Mead and will not accrue to the benefit or use of any individual user. From calendar year 2015 through 2018, 64 projects were implemented in the Upper Basin resulting in an estimated 47,280 acre-feet of Colorado River System water conserved in the Upper Basin at a cost of \$8.5 million or \$180.23 per acre-foot on average. The Upper Basin Pilot Program was resumed in Fiscal Year 2023, using funds from the Inflation Reduction Act. In FY 2023, 65 project agreements were executed for an estimated 37,260 acre-feet of Colorado River System water conserved at a cost of \$15.6 million or \$419.15 per acre-foot on average. In FY 2024, 110 project agreements were executed for an estimated 63,370 acre-feet of Colorado River System water conserved at a cost of \$28.8 million or \$454.94 per acre-foot on average. The Pilot Program successfully demonstrated that voluntary, compensated water conservation projects can conserve water for Colorado River System storage to help mitigate the impacts of drought.

The pilot program made clear that any system conservation programs in the Upper and Lower Basins must be implemented and administered independently due to significant differences in the legal framework governing water use and rights and the hydrology of the two basins. System conservation programs in the two basins may have common goals, objectives, funding mechanisms, project selection requirements and performance criteria, but a system conservation program must incorporate sufficient flexibility to enable states and agencies in the two basins to implement and administer the projects independently in accordance with each basin's legal framework, river operations, and hydrology. For a system conservation program to significantly

increase water surface elevations at Lake Powell and Lake Mead, significant investment is necessary.

Since the initial authorization in 2015, the Lower Colorado River Basin sought and received authorization from Congress to continue to fund system conservation through the 2019 Lower Basin DCP Agreement. As such, S. 4576 is not needed to continue system conservation activities in the Lower Basin, however, the Upper Basin would need the authority to be extended to continue these activities. The Department of the Interior supports system conservation program activities in the Colorado River Basin and recommends that such activities should be continued.

**S. 4995, to establish a new Reclamation program to support collaborative positions at eligible partner organizations to help develop, fund, and implement water projects with benefits for water management and the environment, or the “Water Project Navigators Act”;**

The American West faces serious water challenges. Widespread drought, increased populations, aging infrastructure, and environmental requirements all strain existing water and hydropower resources. Through WaterSMART, Reclamation seeks to address the water challenges of the West by investing in activities that expand and stretch limited water supplies to reduce conflict, facilitate solutions to complex water issues, and meet the growing needs of expanding municipalities, domestic energy development, the environment, and agriculture.

As highlighted to our testimony for S. 2927, the WaterSMART program includes funding for a number of individual programs, each of which includes their own program goals and criteria, as directed by Congress. This includes recently created new programs that provide funding to eligible entities, including in the Bipartisan Infrastructure Law – Section 40901 Aquatic Ecosystem Restoration and Protection projects and Section 40907 for Multi-benefit projects to improve watershed health. For each of these programs, Reclamation works diligently to make sure its funding opportunities are announced to as broad and diverse a group of potentially interested parties as possible and makes a concerted effort to reach out to potential applicants for funding under our umbrella of programs. We work with interested parties before, during, and after the application period to help them understand key information including eligibility and cost share requirements. Reclamation works diligently to provide assistance to entities that may not regularly work with us in order to ensure funding opportunities are available to all parties that are interested and not just the groups who work with us most frequently.

The Water Navigators Act directs the Secretary to establish a program that funds “navigator” positions at partner non-federal organizations including state and local governments, Tribes, special districts, and non-governmental organizations to help develop and implement multi-benefit water projects. The bill authorizes five years of funding for staffing these positions placed at partner organizations but does not specify in great detail the terms for employment of the navigator positions. Multi-benefit projects are defined as proposals to enhance the overall resilience of water supplies to climate-related impacts and to provide benefits to communities and ecosystems including conserving or enhancing fish and wildlife habitat and promoting rural economic development.

Section 3 establishes the Water Project Navigators Program and grants the Secretary authority to award grants or cooperative agreements for not more than three years (two-year extensions can be issued by the Secretary) to eligible entities described in Section 2 to support the creation or continuation of multi-benefit water project navigator positions. The language prioritizes applications from eligible entities that would provide benefits for Indian Tribes, disadvantaged communities, and other eligible entities with limited project development resources and capacity; receive support from other specific stakeholders; provide support for local job creation and retention; incorporate improvements to the condition of a natural feature or nature-based feature; benefit areas experiencing severe long-term drought; and work in coordination with other specific DOI programs and projects. However, Reclamation would recommend that the prioritizing criteria included within the Water Project Navigators Act provide flexibility for Reclamation to work with Tribes and stakeholders and adjust the criteria to meet their needs, including further adjustments over time as the program evolves.

This section also lists the duties of navigators including grant writing, project management, technical assistance, and any other necessary activities. The program is designed to require that Reclamation make funding opportunities available multiple times per year on a regular basis. Regarding cost share, the bill states that the Federal cost share shall not exceed 75 percent. For the non-Federal portion, the bill details that it can be in the form of cash, in-kind contributions, or funds provided to the eligible entities under the American Rescue Plan Act of 2021. The Secretary is also given the authority to waive or reduce the non-Federal cost share if the proposed activity would further a compelling Federal interest. However, no further direction is provided to make that determination, which would be challenging for Reclamation to implement. Reclamation has existing analogous cost-share waiver processes focused on “financial hardship” and would recommend that be used instead. Finally, the section includes a reporting requirement that not later than five years after the enactment date, the Secretary shall submit to Congress a report that describes how the program reduces basin-wide water supply-demand imbalances, enhances drought and ecosystem resilience, and a quantitative analysis of the multiple benefits advanced under the program.

Section 4 of the bill authorizes \$15 million in funding annually between fiscal year 2024 and fiscal year 2029.

Reclamation supports the intent of the bill to provide assistance for entities, particularly for disadvantaged communities, to develop and implement multi-benefit water projects, however we would like to work with the committee on technical edits. Over the past decade, Congress has continued to add new programs within the WaterSMART program – which has expanded the benefits of the program while also creating criteria that can be complicated to understand. For many potential applicants, navigating these programs and submitting the necessary forms can be a challenge. While Reclamation continually works to improve and streamline this process, there are likely many potential sponsors that could use additional assistance both in applying for and implementing projects funded under WaterSMART. Reclamation is committed to improving the effectiveness of our programs and expanding the potential applicant pool and recognize how this legislation could provide new opportunities to do so.

**S. \_\_\_\_\_, to authorize additional funding for the San Joaquin River Restoration Settlement Act;**

The San Joaquin River Restoration Program (SJRRP) is a comprehensive, long-term effort to restore flows to the San Joaquin River from Friant Dam to the confluence of the Merced River and reestablish naturally-reproducing and self-sustaining Chinook salmon populations in the river while reducing or avoiding adverse water supply impacts from increased flows for salmon. The Bureau of Reclamation, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Water Resources, and California Department of Fish and Wildlife, are the five agencies charged with implementing the 2006 Settlement and 2009 Settlement Act (PL 111-11). Key components of the Settlement's Restoration Goal include returning biologically significant flows to the San Joaquin River, reintroducing an extirpated population of spring-run Chinook salmon, and construction of channel and structural improvements to allow for salmon migration to the ocean and their return to the river to complete their lifecycle.

In 2024, the SJRRP will continue to implement Phase 1 Improvements according to the 2006 Settlement and the SJRRP's Framework for Implementation. Restoration activities include designs for the Reach 2B Mendota Pool Bypass features including river control and fish passage structures, and the South Levee and Canal, and Siphon. The related Arroyo Canal Fish Screen and Sack Dam Fish Passage project is now at 100% design and the SJRRP is completing the environmental compliance before awarding a construction contract in 2025.

Reintroduction of spring-run Chinook salmon into the San Joaquin River is continuing, and monitoring activities to measure success and identify challenges are ongoing. The use of trap and haul passage within the Restoration Area for adult fish to reach spawning areas below Friant Dam will continue until fish passage projects are completed. These fishery efforts, along with direct release of spring-run into the river from the SJRRP's Conservation Facility, will continue to bolster the emerging population.

This Act would increase the authorization of appropriations from \$250,000,000 to \$750,000,000 for the SJRRP. The Act retains provisions in the existing 2009 Settlement Act setting forth a one-for-one match from non-federal sources for any federal appropriated dollars. This additional federal and non-federal funding is necessary to reestablish a fully connected San Joaquin River at flows up to 2500 cubic feet per second and substantially advance the Restoration Goal of the San Joaquin Settlement.

This Act would also increase the authorization of appropriations to help restore canal capacity for the Friant-Kern and Madera Canals within the Omnibus Public Land Management Act of 2009 (P.L. 111-11; 123 Stat. 1367) from \$50,000,000 to \$75,000,000. The Department has been working to address reductions in conveyance capacity due to subsidence and other factors which have impacted facilities of the CVP in California. Earlier this summer, Reclamation, the Friant Water Authority, and the California Department of Water Resources were able to celebrate completion of Phase 1 of the Friant-Kern Canal Middle Reach Capacity Correction Project to restore capacity to 33 miles of the existing Friant-Kern Canal damaged from subsidence. Reclamation remains committed to improving water supply reliability and looks forward to continuing to work to address subsidence in the San Joaquin Valley.

Reclamation supports this Act to authorize additional funding for the San Joaquin River Restoration Settlement Act. Completion of the San Joaquin River Restoration Program remains important to restore and maintain fish populations in “good condition” pursuant to the Settlement, as well as to reduce or avoid adverse water supply impacts to all the Friant Division long-term contractors that may result from the flows provided for in the Settlement. Success for the SJRRP means benefits for the environment as well as well as benefit for the farming communities. The SJRRP is an illustration of how we can continue to manage water resources throughout the State in an environmentally sound manner while maintaining a reliable water supply.

**S. \_\_\_\_\_, to establish an interest-bearing account for the non-Federal contributions to the Lower Colorado River Multi-Species Conservation Program, or the “Lower Colorado River Multi-Species Conservation Program Amendment Act of 2024”;**

The Lower Colorado River Multi-Species Conservation Program (LCR MSCP) was established in 2005 by the Department of the Interior along with representatives from agencies within Arizona, California, and Nevada. The LCR MSCP is a 50-year, multi-stakeholder, Federal and non-Federal partnership that seeks to balance the use of lower Colorado River water resources with the conservation of 26 native species and their habitats in compliance with the Endangered Species Act.

The LCR MSCP was developed through a collaborative partnership with State leaders, local stakeholders and the Department. This innovative program addresses the needs of threatened and endangered fish and wildlife on the lower Colorado River while assuring greater reliability of water deliveries and hydropower production. By meeting the needs of fish and wildlife listed under the Endangered Species Act, as well as preventing the need to list additional species, the MSCP provides greater certainty of continued water and power supplies from the river for Nevada, California and Arizona now and into the future.

In 2009, under P.L. 111-11, the LCR MSCP was congressionally authorized in accordance with the existing program documents, with the Secretary charged with implementing the program. Implementing the LCR MSCP will help create at least 8,132 acres of new habitat (5,940 acres of cottonwood-willow, 1,320 acres of honey mesquite, 512 acres of marsh, and 360 acres of backwater) and produce 660,000 subadult razorback suckers and 620,000 bonytail to augment the existing populations of these fishes in the LCR. In addition, a robust research and monitoring program has been developed and implemented for LCR MSCP-covered species and their habitats.

The Bureau of Reclamation is the implementing agency and funds 50 percent of the program. The other 50 percent is funded by partners in Arizona, California, and Nevada. At present, the LCR MSCP has received contributed funds from the non-federal Partners in excess of \$70 million. However, these funds will not be needed or used for several years while additional quarterly contributions will continue to be contributed for another 31 years. These funds are currently maintained by Reclamation in a non-interest-bearing account. Reclamation does not

have the authority, absent further congressional direction, to place this funding in an interest-bearing account.

The Lower Colorado River Multi-Species Conservation Program Amendment Act of 2024 would adjust the LCR MSCP's authorization under P.L. 111-11 to authorize the establishment of an interest-bearing account for the non-federal contributions to the program. Specifically, it directs the Secretary of the Treasury to establish and deposit existing and future non-Federal contributions into a fund titled "Non-Federal Funding Account for the Lower Colorado River Multi-Species Conservation Program" (Fund). Further this act would allow the Secretary of the Interior to invest any portion of the Fund that is not required to meet the current needs of the Fund into a public debt security, while granting access to make use of the amounts within the Fund without further appropriation.

Reclamation supports the Lower Colorado River Multi-Species Conservation Program Amendment Act of 2024. The Lower Colorado River Multi-Species Conservation Program Amendment Act of 2024 would help to offset inflation for the non-federal contributions to the program that have been and will be collected. Over the remaining 31 years of the Program, the interest will help offset the effect of inflation without any additional funding needed from either Federal or Non-Federal partners. This increase in funding will allow the LCR MSCP to be more successful while reducing the need for future Federal appropriations to support the Program goals.

**S. \_\_\_\_\_, to establish the Integrated Water Management Federal Leadership Committee and to provide for improved drought resilience and dam safety, or the "Sacramento RIVER Act of 2024";**

The Sacramento River Improvement and Vitality for Ecosystem Restoration Act of 2024" or the "Sacramento RIVER Act of 2024" has two separate and broad-ranging goals that would be applicable to Reclamation projects across the West.

Under Section 2 of the Sacramento RIVER Act of 2024, the Secretary is authorized to establish Integrated Water Management Federal Leadership Committees comprised of federal water and natural resources agencies, including the Bureau of Reclamation, the United States Fish and Wildlife Service, the National Marine Fisheries Service, the Corps of Engineers, the Environmental Protection Agency, and the Department of Agriculture. The Assistant Secretary for Water and Science of the Department of the Interior would chair each Committee and would coordinate activities.

These committees would be limited to projects in a watershed in which a Bureau of Reclamation project is located and where the entity or qualified partner sponsoring a habitat restoration project receives financial assistance from the Secretary and makes a request for its establishment.

The committees would be tasked to focus on communication, coordination, and recommendations among Federal agencies to support, accelerate, and advance the implementation of habitat restoration projects within the watershed. The committees would be asked to provide a biannual report to the Committee on Energy and Natural Resources of the

Senate and the Committee on Natural Resources of the House of Representatives on these activities.

Reclamation understands that these committees are intended to be modeled after the Yakima River Basin Water Enhancement Program, as authorized under the John Dingell Jr. Conservation Management and Recreation Act (P.L. 116-9). However, the framework for the Yakima River Basin Water Enhancement Program was preceded by years of ‘ground-up’ work and collaboration from federal, Tribal, state, county, and local governments—along with agricultural and environmental interests, water users, and other partners. Today, the work within the Yakima Basin is recognized as a national model of collaborative governance and a commonsense approach that has successfully provided water security for farms, fish, and families in the Basin. It is widely acknowledged throughout the region and the world as a successful example of integrated water resource management. With that said, the Yakima model may not be appropriate in all situations, and Reclamation would need to evaluate each request and engage with parties to determine where it would make sense and what changes might be appropriate given unique conditions across Reclamation’s portfolio of projects. As such, Reclamation would like to better understand and engage further on this section.

Section 3 of the Sacramento RIVER Act of 2024 would allow for revenue generated at Reclamation projects or facilities from the temporary and voluntary selling, leasing, or exchanging of water or water rights among individuals or agencies to be used for Dam Safety Investments, Extraordinary Maintenance Activities, or Drought Resiliency Investments.

The Sacramento RIVER Act of 2024 would not grant any new authority for temporary and voluntary selling, leasing, or exchanging of water or water rights, but would rely on Reclamation existing authorities, namely the Act of February 25, 1920 (41 Stat. 451, chapter 86; 43 U.S.C. 521) and subsection J of section 4 of the Act of December 5, 1924 (43 Stat. 703, chapter 4; 43 U.S.C. 526). As presently written, Reclamation would interpret this legislation to apply to revenues generated under the cited authorities, and not to revenues generated under any other authorities, such as the Central Valley Project Improvement Act (CPVIA, Title XXXIV, P.L. 102-575) and Section 14 of the Reclamation Project Act of 1939 (P.L. 76-260, section 14; 43 U.S.C. 389). At present, absent project specific authority, any such revenues collected for these activities are first applied to any outstanding repayment obligations at the Project. If no repayment obligations exist for the Project, any further revenue is collected and deposited within the Reclamation Fund and credited to any future repayment obligations, whether for Dam Safety Projects or Extraordinary Maintenance Activities.

The Sacramento RIVER Act of 2024 would adjust Reclamation’s current authority in a couple ways. First, instead of being deposited in the Reclamation Fund for later appropriation by Congress, such revenue would be retained within a reserve account by the Transferor. By allowing for the funding to be retained by the Transferor, the Transferor is expected to be able to access the funding more easily and would receive any financial benefit immediately, rather than as a credit to the Project or a benefit available only after Congress has appropriated the funds. As the authorities and circumstances involved in transfers can vary significantly across the agency, Reclamation would recommend this be adjusted to authorize the Secretary to enter agreements with the transferors permitting them to retain revenues, rather than directly authorizing

transferors to retain revenues, to ensure that the Secretary can consider case-specific consequences of changes from standing practices and execute the instruments necessary to protect all affected interests and ensure compliance with all applicable law.

The Sacramento RIVER Act of 2024 would further allow the revenues to be used for drought resiliency, dam safety, and extraordinary maintenance activities, following completion of the repayment of capital. In the case of dam safety, eligible projects would include not only those pursued under the Federal dam safety laws and programs, but also projects required under state dam safety laws. For dam safety and drought resilience activities, the Act would allow revenues to be used for work on non-Federal facilities delivering water to or from a Reclamation project facility. The transferor would be required to report to Reclamation on the use of such funds. Any revenue not used within ten years would be required to be returned to the Reclamation fund.

Reclamation understands that the intent of this section is to incentivize such transfers. At present, once repayment is complete, the credit that the Project receives for any such transfers is provided starting with the final payment. As such, the benefit may not be realized for 50 years after the revenue is collected. The Sacramento RIVER Act of 2024 would instead allow for the benefit to be received immediately. In addition, the Act is intended to incentivize water conservation investments within the Project which could result in more opportunities for excess water and water transfers in future years.

Reclamation appreciates the work of the sponsor to improve collaboration and incentivize further utilization of our existing water infrastructure across the West. Western water issues are complex and multifaceted, and diversity of creative programs will be necessary to meet current water needs within a changing climate. However, given the complexity of the several hundred project-specific authorizations, the Department would like to better understand the impacts that the legislation would have across the West.

For these and other reasons, the Department would like to continue working with the sponsor and the Committee on technical assistance to ensure that authorities within this bill are implementable, effective, and would achieve intended goals.

**S. 4996, to amend Public Law 89–108 to modify the authorization of appropriations for State and Tribal, municipal, rural, and industrial water supplies, or the “Dakota Water Resources Act Amendments of 2024”;**

The Garrison Diversion Unit was originally authorized in 1965, amended in 1986 by the Garrison Reformulation Act, and again in 2000 by the Dakotas Water Resource Act (DWRA) and is associated with the U.S. Army Corps of Engineers’ Garrison Dam of the Pick-Sloan Missouri Basin Program. The Garrison Project was originally focused primarily on irrigation development as part of compensation to the State of North Dakota for the loss of 550,000 acres of Missouri River bottom land due to the construction of Garrison Dam and Oahe Dam. This includes the inundation of a significant amount of land within the Fort Berthold and the Standing Rock Indian Reservations, forcing several Tribal communities to move.



The Garrison Diversion Unit initially was envisioned as a vast project with over 1,800 miles of canals and laterals, four regulating reservoirs, many pumping plants, and an extensive drainage system. However, numerous issues and challenges related to the project created substantial opposition to the Project, resulting in repeated modification of the project to meet the needs of North Dakota in an environmentally sound manner. The DWRA deauthorized all but approximately 75,000 acres of the irrigation originally included in the project and increased construction ceilings for Indian and non-Indian MR&I water supplies by about \$600 million (\$200 million for the State MR&I program, \$200 million for the Indian MR&I program, and \$200 million for a Red River Valley Feature). As such, the Garrison project, as currently authorized, is a multipurpose project principally providing Tribal and non-Tribal MR&I water along with fish and wildlife, recreation, and flood control benefits in the State of North Dakota.

Since 2000, Reclamation has made significant efforts to provide for the construction of the State and Indian MR&I programs. Through 2023, Reclamation has provided \$873,448,376 to these programs and has made substantial progress to improve drinking water access throughout the state, with only \$46,772,000 remaining within various cost ceilings.

The Dakota Water Resources Act Amendments of 2024 would authorize additional appropriations for several sections of the Garrison Diversion Unit, primarily to support drinking water systems within the State. This Act authorizes an additional \$687 million (indexed) for the State Municipal, Rural and Industrial (MR&I) system, as well as \$743 million (indexed) for Tribal rural water system construction. The State MR&I program funding consists of funding for the Northwest Area Water Supply (NAWS) Project, the Eastern North Dakota Alternate Water Supply (ENDAWS) Project, the Southwest Pipeline Project, as well as \$63 million for various other North Dakota rural water districts throughout the state. The Tribal program provides funding for the water systems within the Fort Totten Indian Reservation, the Fort Berthold Indian Reservation, the Standing Rock Indian Reservation, the Turtle Mountain Indian Reservation, and the Lake Traverse Indian Reservation. Finally, this Act would further authorize an additional \$50 million for the Natural Resources Trust fund.

As a threshold matter, the Department supports efforts to improve access to reliable, clean drinking water as an essential human need that is critical to the public health, well-being, educational attainment, and economic development of all communities in the United States. Through the Bipartisan Infrastructure Law, the Department has prioritized the development of water infrastructure for rural communities and Reclamation has made significant progress towards completion of these projects, providing more than \$100 million for the Garrison Diversion Unit MR&I project. Reclamation remains focused on completing the existing authorized projects within Reclamation's Rural Water Supply Program.

As a policy matter, before authorization of construction by Congress, Reclamation typically requests that projects complete an appropriate level of analysis to ensure that Congress' consideration of the proposed project can be informed by a defined scope, that it meets the economic, environmental, and design standards to determine feasibility, and that Reclamation and Congress have an understanding that the associated cost estimates are at level-of-study to ensure project completion. However, the original authorization for MR&I features within the Garrison Diversion Unit were fund based and did not provide funding to match the actual

construction and operations needs of the various projects. While \$200 million was provided for Tribal MR&I projects, the needs for those systems at the time of authorization were found to be substantially higher than the funding provided. As a result, following authorization, Reclamation was required to complete the analysis that was necessary to determine project configuration and designs, but with little ability to ensure the projects would be completed.

For the State MR&I program, this Act provides direction that the funding is intended to ensure completion of the Northwest Area Water Supply Biota Water Treatment Plant and Pump Station Project and the Eastern North Dakota Alternate Water Supply Project based on Reclamation's 2015 and 2021 Records of Decision for each of these projects. Reclamation is comfortable that utilizing these documents will provide a project scope and associated cost estimate to ensure project completion. However, the remaining funding for the State MR&I program features are, similar to the original authorization, fund-based rather than project based. Section 2 further allows that funding within the State MR&I can be transferred among the projects, allowing any remaining authorized funding for an individual project to be utilized by another. Reclamation would recommend that such authorization include a clear scope as to what project features are being authorized.

Similarly, for the Tribal MR&I program, this Act provides direction that the funding provided is intended to ensure completion of the Spirit Lake Rural Water System, the Three Affiliated Tribes Rural Water System, the Standing Rock Rural Water System, and the Turtle Mountain Rural Water System. For more than two decades Reclamation has worked with each Tribe to build these tribal systems and we remain committed to their completion. Reclamation understands that the cost estimates included within this Act have been developed based upon cost estimates established by each of the Tribes to allow for completion of each reservation-wide system. However, the level of analysis for these cost estimates may not meet standards for project authorization. To address this concern, this Act requires that Reclamation complete feasibility studies for each Tribal MR&I system in order to determine the scope of each project within the funding provided.

The Dakota Water Resources Act Amendments of 2024 would also authorize \$12 million in appropriations for completion of the Lake Traverse Rural Water System, which is not currently authorized for funding within the Garrison Diversion Unit. In keeping with standard Reclamation policy, for this project as well as any similarly positioned new State MR&I project, Reclamation would recommend that Congress instead authorize and fund a feasibility study to better understand the needs with the Reservation and provide the final feasibility report to Congress with a recommendation for construction funding, as appropriate.

Reclamation supports the Dakota Water Resources Act Amendments of 2024 with the requested technical amendments as noted. Reclamation recognizes and supports the goals of furthering clean water access for rural communities. Reclamation would emphasize support for completion of the already authorized and ongoing projects – many of which have been underway for more than two decades – and understands their importance to the State of North Dakota.

**S. \_\_\_\_, To make certain modifications to the repayment period and payment of interest for the Fryingpan-Arkansas project in the State of Colorado**

The Arkansas Valley Conduit (AVC) was originally authorized in 1962 as part of the Fryingpan-Arkansas Project (P.L. 87-590). However, the AVC was not constructed with the original project, primarily because AVC beneficiaries were unable to repay all construction costs as required in the original authorizing legislation. In 2009, Congress amended the original authorization for the Arkansas Valley Conduit under P.L. 111-11, recognizing the increased need to address water quality concerns within the Arkansas Valley. Surface and groundwater in Southeastern Colorado contain naturally occurring radium and uranium, as well as high salinity, selenium, sulfate, hardness, and manganese that exceeds water quality standards year-round. Currently, twelve water providers have concentrations of these elements in the water supplies that exceed federal Safe Drinking Water Act mandatory standards. As a result, the State has issued enforcement actions requiring these water providers to remove the contaminants or find a better-quality water source. In addition, water providers in the lower Arkansas River Basin generally have difficulty meeting non-mandatory secondary drinking water standards for salts, sulfate, and iron.

In order to address these issues, P.L. 111-11 authorized appropriations for construction of the AVC; allowing miscellaneous revenues to be used to construct AVC; and, upon completion, provided for miscellaneous revenues to be credited to the actual costs of AVC. P.L. 111-11 also provided a cost sharing plan of 100% percent federal construction financing, and 35 percent non-federal repayment over a period of 50 years, starting after project completion.

For the first decade after passage of P.L. 111-11, progress towards construction of the AVC was limited by a variety of factors, increasing the cost of the proposed project. In 2019, Reclamation staff and the project's non-federal repayment entity, the Southeastern Colorado Water Conservancy District (SECWCD), made significant progress and identified a number of modifications to the proposed project that would reduce costs by as much as \$200 million from the prior 2014 configuration of the project. Following that work, Reclamation sought, and Congress provided, significant funding to get the construction of the project started. Since then, thanks to passage of the Bipartisan Infrastructure Law, Reclamation has provided more than \$280 million for the project, and construction of the first two segments of the project is well underway.

Earlier this year, Reclamation updated the estimated cost for the project and found it had significantly increased over estimates used in 2019. This increase in costs is not unique to the Arkansas Valley Conduit and is consistent with broad trends for heavy civil works projects across the West. Given this increase, the project beneficiaries are again faced with challenges to repay their share of construction of the project, as directed under P.L. 111-11.

To address this concern, this Act would adjust the repayment obligation for the Arkansas Valley Conduit by removing interest payments and extending the timeline for repayment from 50 to 100 years. These changes are intended to address dynamic economic conditions and seek to find a more appropriate financing arrangement, in view of the updated understanding of the costs associated with the project.

P.L. 111-11 explicitly requires that interest should be applied for M&I allocations within the legislation, removing any discretion from the Secretary. For most Reclamation projects, M&I is a relatively small portion of the use within an overall multipurpose project and the amount of repayment allocated to M&I purposes is low. In this way, the Arkansas Valley Conduit is unique within Reclamation's authorized projects – keeping many of the traditional aspects of a federally constructed Reclamation Project, including a requirement for repayment of the significant upfront cost, while only serving M&I purposes rather than the irrigation function more typical of legacy Reclamation projects.

Reclamation continues to support completion of the AVC and supports the modifications proposed under this Act. Without the AVC, prior analysis by Reclamation has indicated that these communities could see the cost of drinking water triple to meet water quality standards. Given that the AVC-area communities are already in economically disadvantaged counties, this increased cost would likely have significant negative effect. By completing the AVC project, Reclamation not only helps these communities implement a solution they have long worked together to achieve, but also fulfills a commitment the federal government made decades ago. Simply put, families and communities across the Lower Arkansas Valley face rising water treatment costs in a declining local economy. Without a realistic option for coming decades, these same communities would be unlikely to achieve sustainable water treatment.

As highlighted for S. 4458 and the Dakota Water Resources Act Amendments of 2024, the Department supports efforts to improve access to reliable, clean drinking water as an essential human need that is critical to the public health, well-being, educational attainment, and economic development of all communities in the United States. The modifications proposed under this Act are within that commitment and necessary to ensure that the costs of the AVC remain reasonable and affordable for the rural communities that will depend on it.

**S. \_\_\_\_\_, To prohibit the use of amounts from the Upper Colorado River Basin Fund to implement a certain record of decision, and for other purposes**

Glen Canyon Dam is the key water storage unit of the Colorado River Storage Project, one of the most complex and extensive river resource developments in the world. Without it, development of the Upper Colorado River Basin states' portion of the Colorado River would not have been possible. Hydroelectric power produced by the dam's eight generators helps meet the electrical needs of the West's rapidly growing population. With a total capacity of 1,320 megawatts, Glen Canyon Powerplant produces around four billion kilowatt-hours of hydroelectric power annually which is distributed by the Western Area Power Administration (WAPA) to Wyoming, Utah, Colorado, New Mexico, Arizona, Nevada, and Nebraska.

The Upper Colorado River Basin Fund (Basin Fund) was established under Section 5 of the 1956 Colorado River Basin Project Act. The legislation authorized a separate fund in the U.S. Treasury where appropriations for construction of Colorado River Storage Project (CRSP) facilities, except recreation and fish and wildlife facilities constructed under Section 8, are transferred to the Basin Fund from the General Fund of the Treasury. Revenues derived from operation of the CRSP and participating projects are deposited in the Basin Fund. Most of the revenues come from sales of hydroelectric power and transmission services. The Basin Fund also

receives revenues from M&I water service sales, rents, and miscellaneous revenues collected in connection with the operation of the CRSP and participating projects.

In 2016 the Department published a final Environmental Impact Statement (EIS) and Record of Decision (ROD) for the Glen Canyon Dam Long Term Experimental and Management Plan (LTEMP) in order to implement a structured, long-term experimental and management plan for operations of Glen Canyon Dam. The LTEMP has provided a framework for adaptively managing Glen Canyon Dam operations and other management and experimental actions consistent with the Grand Canyon Protection Act and other provisions of applicable Federal Law. This includes, among other items, the need to meet statutory responsibilities for conserving species listed under the Endangered Species Act. The LTEMP does not change the volume of annual releases from Glen Canyon Dam or the amount of water available to each Colorado River Basin State; it only affects the timing of Glen Canyon Dam releases within a water year.

As Lake Powell's elevation has declined and water released from Glen Canyon Dam has warmed in recent years, warmwater invasive fish such as smallmouth bass residing in the upper layer of Lake Powell have been able to pass through the dam and successfully spawn downstream in the Grand Canyon. These warmwater predatory fish can prey on native fish species, including the federally protected humpback chub in the Grand Canyon. Over the past two years, Reclamation has analyzed various flow options from Glen Canyon Dam to help disrupt the establishment of nonnative fish, primarily smallmouth bass, below the dam in the Colorado River through the Glen Canyon Dam LTEMP SEIS. An important aspect of the analysis within the SEIS was an evaluation of the impacts to the production of hydropower under the various alternatives. The SEIS indicated that the impacts to hydropower would range from \$0 to over \$200M, with the high end estimate only applicable under very dry scenarios with repeated use of flows. The anticipated impacts in 2024 are estimated between \$15 and \$20M.

Reclamation implemented Smallmouth Bass flows beginning on July 9. To date, preliminary results show that the flows are having the intended cooling effect, and smallmouth bass spawning has not been detected as of August 22, 2024, even with increased sampling. The cost of the smallmouth bass flows through August 2024 is estimated at approximately \$13 million, within the estimated range. Moreover, the Bureau of Reclamation has worked with the Western Area Power Administration to mitigate hydropower impacts by timing smallmouth bass flows around energy loads, which have mitigated the costs by an estimated \$300,000 to \$400,000 per week than what was expected under the SEIS. Reclamation is collecting data on the efficacy and cost of smallmouth bass flows in 2024 to assess whether future flows in 2025-2026, if triggered, will be warranted.

This Act would prohibit the use of amounts from the Basin Fund from being used to implement the December 2016 Record of Decision for the Glen Canyon Dam LTEMP SEIS. The bill also directs that any Federal funds made available for the LTEMP SEIS ROD shall be non-reimbursable.

Reclamation understands that the intent of the bill is to address concerns that implementation of the SEIS ROD will require the Western Area Power Administration (WAPA) to use funds from the Basin Fund to replace the power that would have otherwise been generated. Limiting use of

funding from the Basin Fund for activities described in the SEIS ROD would not limit or prohibit Reclamation from continuing to implement the SEIS ROD. However, the legislation would appear to limit WAPA's ability to purchase replacement power as they have no other funding means outside of the Basin Fund. As such, we expect that the impact of this Act would be to shift the costs from the Basin Fund to individual non-federal power users. Absent additional appropriations to offset these costs, the impact to these power users, in many cases on small and disadvantaged communities, is likely to be significant.

Reclamation understands the intent of the bill to address the impact that implementation of the LTEMP SEIS ROD will have on the Basin Fund and we share the sponsor's desire to avoid any negative unintended consequences. As such, we look forward to working with the sponsor on technical corrections that will satisfy the sponsor's intent while avoiding unintended effects.